THE PRESIDENT'S INTELLIGENCE CHECKLIST

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3 JULY 1962 TOP SECRET

1. Taiwan Strait

Peiping propaganda on the Taiwan Strait: appears to be diminishing in intensity, and there have been no major military moves in the area recently. Against this setting, Khrushchev's statement yesterday that the "whole Socialist camp" stands prepared to help Peiping repel any Nationalist invasion sounded like a belated--and relatively safe--effort to look the part of the staunch ally. At the same time, Khrushchev spoke of the "totally unjustified presence" of American troops in Korea. We do not know what significance to attach to it, but Soviet propagandists have been hitting this theme hard lately.

2. Laos

a. The atmosphere in Geneva appears to be conducive to an early buttoning-up of an agreement; Soviet delegate Pushkin is talking of winding things up "in 8 or 10 days." The only sour notes so far have been sounded--characteristically--by the Chinese Communists.

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b. In Laos.

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some North Vietnamese troops are departing. We think that some preliminary moves may be underway, but Hanoi will probably keep their troops on hand until a final settlement is concluded.

3. Algeria

France formally recognized Algerian independence this morning. Ben Khedda and his colleagues are due to arrive in Algiers later in the day and are expected to take over control of the government. Meanwhile, there is great uncertainty as to what course Ben Bella and his military cohorts will take today, but we look for an early showdown between the rival factions.

NOTES

- A. In Japan, the strong showing of the ruling Liberal Democratic Party in Sunday's parliamentary elections (it won more than half of the Upper House seats that were at stake) just about nails down the party's endorsement for Ikeda in another 2-year tour as Prime Minister.
- B. A developing Viet Cong campaign to restrict the mobility of government forces is suggested by a recent spate of sabotage attacks against South Vietnam's railroads and airfields.
- C. the USSR is equipping the East German Air Force with MIG-21s.

D. In the aftermath of the inconclusive Peruvian elections,

Haya de la Torre is fearful that to press
his claim for the presidency may precipitate civil war

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E. The Brazilian Congress this morning endorsed Goulart's nomination of Auro Moura Andrade, the widely respected president of the Senate, to be prime minister. Andrade, 46, is said to be an exponent of a strong presidency for Brazil.

DOCUMENT OF INTEREST

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THE DIRECTOR OF CENTRAL INTELLIGENCE